

SAATCHI & SAATCHI  
NORTH AMERICA, INC.

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FRANCIS J. MOONEY, JR.

EXECUTIVE VICE PRESIDENT

DIRECTOR OF BUSINESS & LEGAL AFFAIRS

January 25, 1994

The Honorable Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: FCC Docket #93-254  
~~Limitations on Commercial Time~~

Dear Ms. Searcy:

I am writing, on behalf of Saatchi & Saatchi North America, Inc. to oppose the suggestion in the Commission's Notice of Inquiry that time limitations be reimposed on the amount of commercial matter broadcast by television stations.

Saatchi & Saatchi North America, Inc. is a large international advertising agency. Saatchi's clients include Toyota and Lexus, Procter & Gamble, General Mills, Johnson & Johnson, as well as other companies in diversified industries.

Responding to a perceived need, as expressed by its clients and other major brands and Fortune 500 Companies, for more information driven advertising, Saatchi established a division, Hudson Street Partners, that produces program length advertising ("infomercials") for Saatchi's clients and its own clients. In the two years this unit has existed it has responded to inquiries by 50 major national companies interested in pursuing this new format.

Basically, the position of Saatchi is that the marketplace should be allowed to operate unfettered by any formula or commercial quota.

The FCC's 1984 decision in this matter was premised on the belief that there would be an expansion in the number of information sources available to viewers and that, in such a competitive marketplace, viewers would determine the appropriate amount of commercial programming by their choice of what programs to watch. Further, the FCC believed that the market would respond to the relaxation of constraints on commercial programming by developing new commercial offerings.

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Ms. Searcy  
January 25, 1994

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Both these predictions have proved true. The number of video channels available to consumers has already expanded significantly, and we are just entering a new technological era that promises a great increase in the number of information and video programming sources. At this late date, the government should not attempt to turn back the clock and reimpose a scheme of commercial time limits that made sense, if at all, only at a time when few video outlets were available.

Furthermore, there has been substantial innovation in the delivery of commercial programming in response to the 1984 decision. The program-length commercial is an important example of that innovation. This format might not ever have come into existence if the FCC had continued trying to determine the appropriate amount or type of commercial programming through fixed time limits. These programs have had to compete for viewer attention, and the fact that they have developed a sizeable audience despite all the other video offerings demonstrates that there is a significant consumer need that would not be addressed if time limits were reimposed.

By providing revenues to broadcast stations, program-length commercials help support free, over-the-air television.

The vast majority of consumers has access to a multitude of channels. The consumer via the power of the remote button can select or reject a given program format. If the infomercial is not of interest, it will be zapped by the consumer who is in the position to make his or her own choice. Thus be it ever. For these reasons, we believe as a general matter, that the Commission should not initiate a rulemaking to consider reimposing time limits on the broadcast of commercial matter. In particular, we believe that no showing has been made of any justification for imposing any limits on the running of program-length commercials by broadcast stations.

Sincerely,

Francis J. Mooney, Jr.

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